

10-9881

23 December 1960

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Mr. Robert J. Kleberg, Jr.
President
King Ranch, Inc.
Kingsville, Texas

Dear Mr. Kleberg:

I received your letter of 20 December enclosing the clipping regarding Mexico. I've passed it along to Allen. I also passed to him the views on Cuba which you expressed to me at the Ranch.

It was a delightful day for me at King Ranch -- particularly the discussion with you.

Best wishes for the Holiday Season.

Sincerely,

C. P. Cabell
General, USAF
Deputy Director

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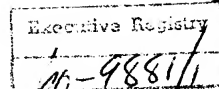
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KING RANCH, INC.
KINGSVILLE, TEXAS

MRS. THOMAS R. ARMSTRONG
CHAIRMAN OF THE BOARD

ROBERT J. KLEBERG, JR.
PRESIDENT

RICHARD M. KLEBERG, JR.
EXECUTIVE VICE PRESIDENT

JAMES H. CLEMENT
SECRETARY



TELEPHONE: LYRIC 2-6411

CABLE: KINGRANCH

December 20, 1960

General Charles P. Cabell
Central Intelligence Agency
Strategic Air Command
Washington, D. C.

Dear General Cabell:

The enclosed photostat of a clipping on the subject we discussed at cow camp yesterday. Enjoyed our short visit. Always let me know when you are in this part of the world.

Sincerely yours,

Bob Kleberg Jr.
Robert J. Kleberg, Jr.

Encls.1

Lopez Mateos Reaffirms Administration's Goals

PLAYA DE SANTIAGO, Mex.—(UPI)—The administration's concern for private enterprise was stated by President Adolfo Lopez Mateos here in an apparent attempt to quiet rumors of further government industrialization plans for Mexican industry.

At the same time the president indirectly accused private capital of dragging its heels in the current historical phase of Mexico's social and economic maturing.

The president made his remarks during a 45-minute press conference at this beachside community shortly after inaugurating

several public works at nearby Mazatlan, Pacific coast port. In a brief reference to state church relations Lopez Mateos described the attitude of high Roman Catholic church leaders in Mexico as "very cordial."

Lopez Mateos is currently on a nine-day tour of west Mexico including Jalisco, Colima and Nayarit states, his last scheduled trip outside the capital this year.

Private Enterprise Slow

Asked about the role of private industry in Mexico's social and industrial development in the light of government purchases this

year of Mexican electric power companies and the nationalization of the telephone system, Lopez Mateos said:

"While we in the administration are traveling on a motorcycle, while private enterprise is moving on foot."

He promptly added "The efforts of the government are intended to loan a motorcycle to private initiative."

Meanwhile, organized labor continued its outpouring support of nationalization moves with the announcement in Mexico City of a mass support rally of 500,000 members of affiliated organs of the confederation of Mexican workers.

Wanted All To Hear

The rally has been called to express concord with government purchase of two motion picture theater chains with a virtual film exhibition monopoly in Mexico.

Before making his remarks here the president asked if the National Industrial Chamber President, Carlos Fernandez Landeros was present to hear.

Landeros subsequently told the president "certain past administrations" had moved slowly while business worked at full steam, but the present government has now "passed this."

Lopez Mateos added "In whatever part of the republic we travel, the work of the government is more impressive than that of private enterprise. That is the path."

Administration purchase of major foreign electric power companies this year followed by a congressional amendment proposal to ban future electric utility permits to non-Mexican capital and government purchase in recent weeks of movie houses renewed talk of government "intervention" on the realm of the business world.

Much speculation has been stimulated over the degree of "Mexicanization" contained in new legislation for the mining industry, presently the subject of public hearings in the senate here.

No Regular Schedule

Lopez Mateos denied the existence of yearly "plans" and said Soviet periodic construction goals stating "there is a national program which goes forward by distinct steps. When one project is finished, we start another."

"I do have the figures to tell you of the next irrigation of other projects coming, but the proposal is this: to satisfy in the near future the greatest social needs."

Replying to a question on the state of church relations, and apparently referring to high source statements describing close cooperation between church and government officials, he said:

"I really cannot give you any explanation in this respect because I don't know what their attitude is. I do know (their) approaches have been of the greatest cordiality, not only in church publications but in general attitude."

The president's remarks followed his inauguration in Mazatlan of a housing development for low-income families to replace homes destroyed by the October, 1959, earthquake which caused millions of dollars' damage at the port.

He also announced the formation of a commission to study the "problem" of large estates in Colima state, and distribution of one-half million new quality crops to be used in peasant farming.

He spent three days in Mazatlan before returning to the capital.

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF THE DEPUTY DIRECTOR

DCI : *AND/enc*
This is in
regard to Kleberg's
growing concern
about the socialization
of Mexico.
CFC